

# JOINT FINANCE COMMITTEE HEARING

## FISCAL YEAR 2020 BUDGET



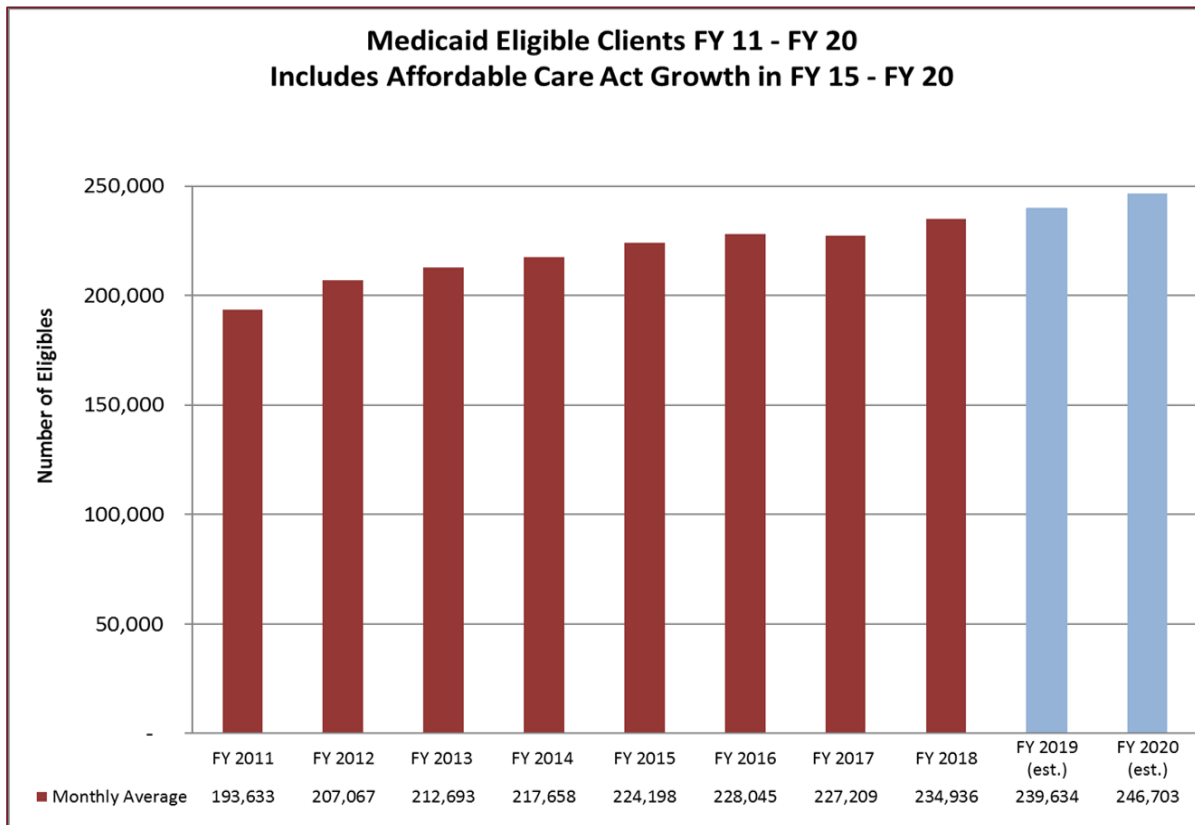
STEPHEN M. GROFF  
DIVISION DIRECTOR

DIVISION OF MEDICAID AND MEDICAL ASSISTANCE  
Department of Health and Social Services  
March 20, 2019  
Legislative Hall, Joint Finance Committee Hearing Room

# DIVISION OVERVIEW

## Mission / Description

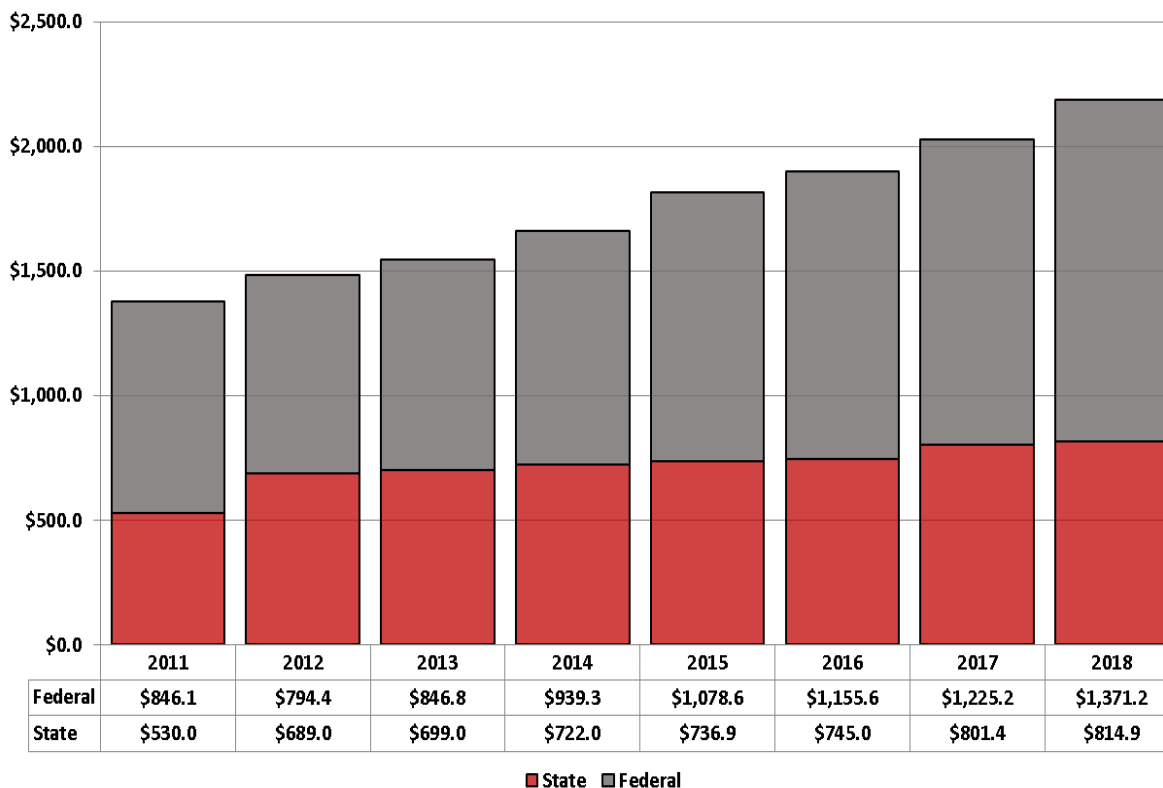
**Mission:** improve health outcomes by ensuring that the highest quality medical services are provided to the vulnerable populations of Delaware in the most cost effective manner.



# DIVISION OVERVIEW

## Spending

Medicaid Spending (State v Federal) 2011 - 2018:



“Medicaid accounts for a large share of state budgets, about 40 percent of state and local spending on health care”

Source: Medicaid and CHIP Payment and Access Commission

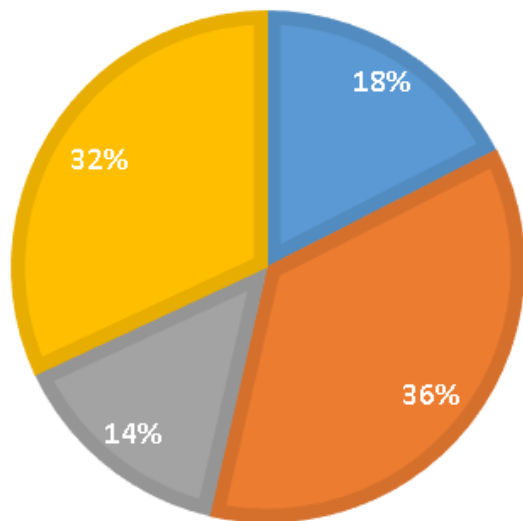


# DIVISION OVERVIEW

## Diverse Beneficiary Populations

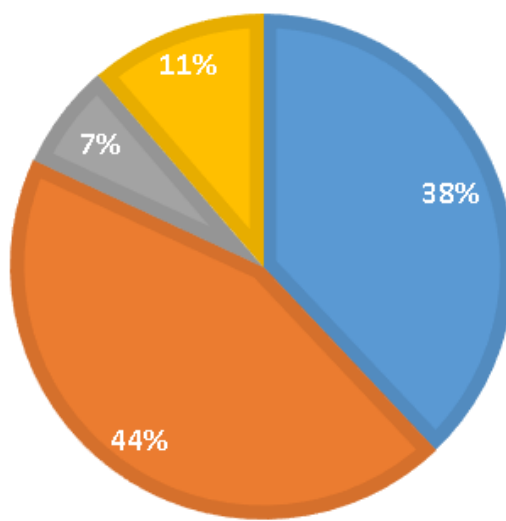
### SPENDING

■ Children ■ Adult ■ Aged ■ Disabilities



### ENROLLMENT

■ Children ■ Adult ■ Aged ■ Disabilities



“Medicaid spending per enrollee varies sharply by eligibility group.”

Source: Kaiser Commission on Medicaid and the Uninsured



# ACCOMPLISHMENTS

## Children and Families



Medicaid is the base of coverage for our nation's low-income children. CHIP complements Medicaid by covering uninsured children in families with incomes above Medicaid eligibility levels.

Source: Kaiser Family Foundation  
\* CHIP = Children's Health Insurance Program



# ACCOMPLISHMENTS

## Children with Medical Complexity



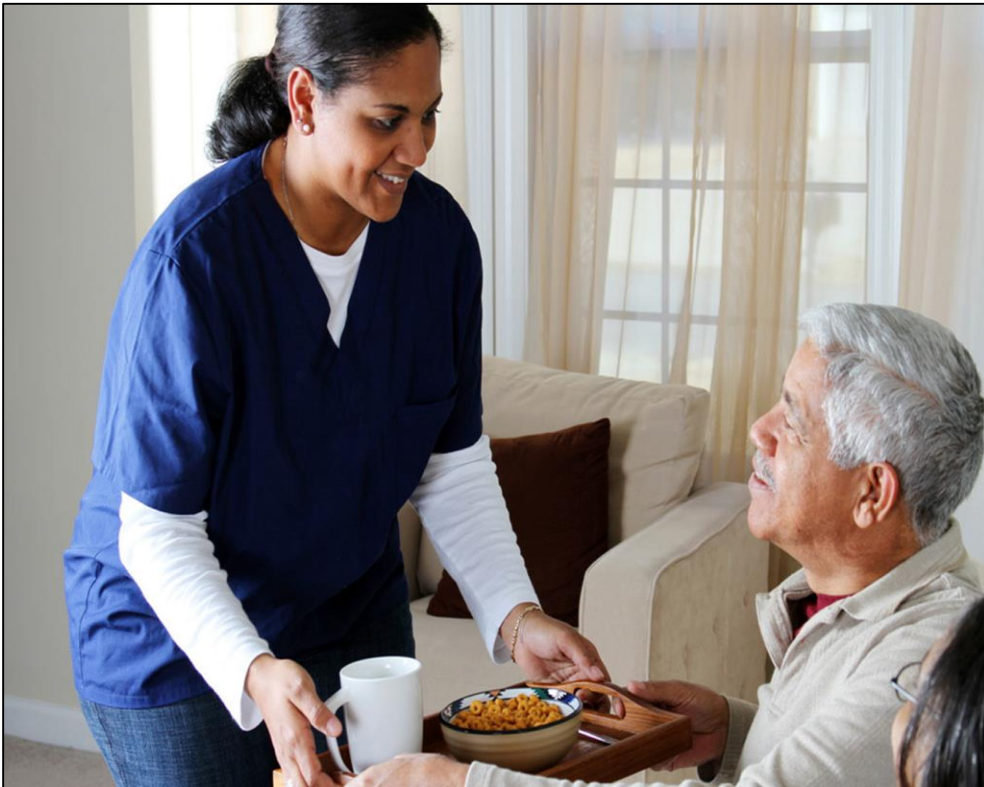
“Medically fragile children are magical and unique. They are unicorns in a world of too many unknown outcomes. Together we must provide the most appropriate coordinated care. Care that keeps their hearts beating and their smiles leaving a trail of glitter. They are forever in the heart and minds of their parents/caregivers. This is how I see my sweet Christopher.”

Nancy Lemus – parent  
of Christopher Garcia



# ACCOMPLISHMENTS

## Long-Term Services and Supports (LTSS)



LTSS refer to a broad range of supportive services needed by people who have limitations in their capacity for self-care because of a physical, cognitive, or mental disability or condition.

Source: O'Shaughnessy, C. The Basics: National Spending for Long-Term Services and Supports (LTSS), 2012. National Health Policy Forum, 2014. Available online at [http://www.nhpf.org/library/the-basics/Basics\\_LTSS\\_03-27-14.pdf](http://www.nhpf.org/library/the-basics/Basics_LTSS_03-27-14.pdf).





# ACCOMPLISHMENTS

## Substance Use Disorder (SUD)

### THE NEED FOR CHANGE IN DELAWARE

#### DELAWARE DRUG-RELATED DEATHS

 **345**  
deaths in 2017\*

 **DOUBLE**  
the number from 2012

 **HIGHER**  
than the national rate

#### DELAWARE PRESCRIBING RATES



**#1** in the nation for  
high-dose opioids\*\*  
**#2** in the nation for  
long-acting opioids\*\*



**32% OF OPIOID  
PRESCRIPTIONS**  
*are written by*  
**1% OF DELAWARE  
PRESCRIBERS**

#### NATIONAL FACTS AND FIGURES

**2 MILLION  
PEOPLE ABUSE  
OPIOIDS OR ARE  
OPIOID DEPENDENT**



**80%** of heroin users began opioid use  
with prescription opioids



**25%** of chronic pain patients treated with  
opioids develop Opioid Use Disorder

A prescription for change in Delaware starts with the new regulations — and with you. Making your patients aware of the risks, monitoring prescription-drug activity and rates, and offering alternatives to opioids to treat and manage chronic pain are just a few of the ways we're beginning to make change possible in Delaware.

\* As reported by the Delaware Division of Forensic Sciences, 2017

\*\* Most recently assessed in 2012

*“Medicaid is the nation’s largest payer for behavioral health services, including services for people with SUDs and mental health services. Medicaid provides a broad range of services to meet the needs of people with SUDs, including detox, recovery supports, medically assisted treatment prescriptions, and other evidence-based treatment strategies..”*

Source: Center on Budget and Policy Priorities





# ACCOMPLISHMENTS

## Value-Based Purchasing with MCOs

In January 2018, DMMA entered into a value-based purchasing initiative through contracts with our Managed Care Program. Seven key measures will be monitored:

- Diabetes case management
- Asthma management
- Cervical cancer screening
- Breast cancer screening
- Obesity management
- Timeliness of prenatal care
- 30-day hospital readmission rates



# ACCOMPLISHMENTS

## My Healthy Weight

“The founding members of My Healthy Weight are putting a historic stake in the ground to say that they value obesity and chronic disease prevention, which represents a fundamental and long overdue shift in the way we think about healthcare in this country.”

Dr. Anand Parekh, Bipartisan Policy Center  
chief medical advisor



# LOOKING AHEAD

## Accountable Care Organizations (ACO)



An ACO is a network of doctors and hospitals that shares financial and medical responsibility for providing coordinated care to patients in hopes of limiting unnecessary spending. At the heart of each patient's care is a primary care physician.

Source: Jenny Gold, Kaiser Health News, "Accountable Care Organization, Explained" September 14, 2015

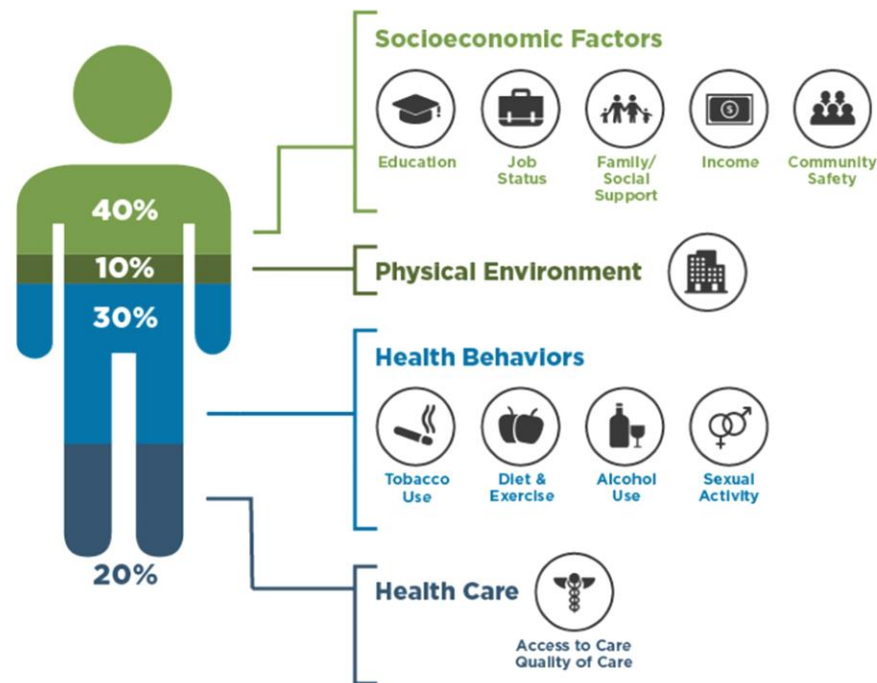
<https://khn.org/news/aco-accountable-care-organization-faq/>



# LOOKING AHEAD

## Social Determinants of Health

### What Goes Into Your Health?



“Conditions in the places where people live, learn, work, and play that affect a wide range of health risks and outcomes.”

<https://www.cdc.gov/socialdeterminants/>



# FY 20 GOVERNOR'S RECOMMENDED BUDGET

## FY 2020 Governor's Recommended Budget (\$ in thousands)

	GF	ASF	NSF	Total
FTEs	79.2	1.0	107.4	187.6
Dollars (\$)	787,354.8	78,418.3	1,522,700.7	2,388,473.8

### Budget Definitions:

GF – General Funds

ASF – Appropriated Special Funds

NSF – Non-Appropriated Special Funds

FTEs – Full Time Equivalent Positions



# FY 2020 GOVERNOR'S RECOMMENDED BUDGET

- \$15 million to address growth in Medicaid spending
- \$3.2 million to offset reduction in federal matching rate for the Delaware Healthy Children Program
- \$1.0 million in ASF Tobacco Fund to address Social Determinants of Health





THANK YOU